## IN THE CLAIMS

Please amend the claims to be in the form as follows:

Claim 1 (currently amended): A method of encoding data, comprising:

embedding supplemental data by inserting the supplemental data into the data using at least one parameter which is altered in order to embed the supplemental data; and deriving the supplemental data from other data.

Claim 2 (original): A method of extracting supplemental data of encoded data as defined in Claim 1.

Claim 3 (currently amended): A method of encoding input data, comprising the steps of: partitioning the data into frames;

determining a set of parameters for each frame;

reducing the data rate of the input signal by applying an algorithm which is controlled by the parameter set whereby the encoded data includes the set of parameters or at least data which can be used to derive the parameter set and the data rate-reduced signal; and embedding supplemental data into the encoded data signal, the parameter set is affected by the supplemental data.

Claim 4 (original): A method of extracting information which is embedded in the parameter set of an encoded signal as defined in Claim 3.

Claim 5 (cancelled)

Claim 6 (cancelled)

Claim 7 (cancelled)

Claim 8 (cancelled)

## Claim 9 (cancelled)

Claim 10 (previously presented): A signal comprising the encoded data of Claim 1.

Claim 11 (previously presented): A data carrier comprising a recorded signal of claim 10.

Claim 12 (previously presented): A signal comprising encoded data of Claim 3.

Claim 13 (currently amended): A data carrier comprising the <u>encoded</u> recorded signal of Claim 12.

Claim 14 (previously presented): An arrangement for performing the method of Claim 1.

Claim 15 (previously presented): An arrangement for performing the method of Claim 2.

Claim 16 (previously presented): An arrangement for performing the method of Claim 3.

Claim 17 (previously presented): An arrangement for performing the method of Claim 4.

Claim 18 (previously presented): A playback device with an arrangement as defined in Claim 2.

Claim 19 (previously presented): A playback device with an arrangement as defined in Claim 4.

Claim 20 (currently amended): A playback device with an arrangement as defined in Claim  $\underline{1}$  20.

Claim 21 (previously presented): The playback device of Claim 14, including a disc player for audio and audio-visual media, respectively.

Claim 22 (previously presented): The playback device of Claim 15, including a Disc player for audio and audio-visual media.

Claim 23 (previously presented): The playback device of Claim 16, including a Disc player for audio and audio-visual media.

Claim 24 (previously presented): The playback device of Claim 17, including a Disc player for audio and audio-visual media.

Claim 25 (new): A method of encoding supplemental data of encoded data as defined in Claim 1, wherein lossless encoding is used to encode the supplemental data.

Claim 26 (new): A method of encoding supplemental data of encoded data as defined in Claim 1, wherein the supplemental data is encoded bit by bit.

Claim 27 (new): A method of encoding supplemental data of encoded data as defined in Claim 1, wherein before the embedding, partitioning of the data into frames and determining a set of parameters for each frame, wherein the set of parameters can be altered to embed the supplemental data

Claim 28 (new): A method of encoding supplemental data of encoded data as defined in Claim 27, wherein encoded data is used to derive the set of parameters.

Claim 29 (new): A method of encoding supplemental data of encoded data as defined in Claim 1, wherein the parameters is altered to a dedicated value in response to the supplemental data to be embedded.